

TRANSPORTATION AND UTILITIES

To operate effectively, a firm needs access to both a transportation system that can move people and materials locally and throughout the world, and plentiful, cost effective utilities to power its operations. Colorado's transportation network can meet these needs with ease. Moreover, current expansions and improvements in the transportation system, combined with planned projects, assure forward-looking business leaders ample capacity and modern design throughout the state. The state's transportation infrastructure is advanced, convenient, and continually developing to respond to the ever-increasing demand. Colorado businesses enjoy utility rates among the lowest in the country. Ongoing investment in new capacity and alternative sources will maintain that advantage.

Air

- Colorado is a regional, national, and international transportation hub.
- DIA is the nation's fourth busiest airport, and the 10th busiest in the world.
- In addition to DIA, Colorado has 17 commercial and 62 general aviation airports located throughout the state.

Highway

- Colorado's state highway system has over 9,000 miles, of which 956 miles are interstate highways.
- The convergence of I-25, a major north-south interstate, and I-70 and I-76, major east-west interstates, makes Colorado's front range a transportation hub.

Rail

- Colorado also has nearly 3,000 miles of Class 1 railroad tracks, as well as intermodal train/truck facilities

Mass Transit

- In 2004 Colorado voters approved a \$4.7 million project to expand mass transit in a referendum known as FASTracks.
- FASTracks will add 119 miles of light rail and commuter rail, expand bus service and park and ride facilities over the next 12 years.

Denver International Airport (DIA)

In 2007, nearly 50 million passengers passed through Denver International Airport, an increase of 5.4 percent and over 2.5 million passengers from 2006, the fourth straight recording-breaking year.

Thirty airlines offer regularly scheduled passenger service to Denver International Airport. In addition to DIA's regular scheduled flights, several international and domestic charters leave from its gates daily.

- British Airways non-stop service to London
- United Airlines non-stop service to London (starting March 30, 2008)
- Lufthansa non-stop service to Frankfurt and Munich
- Several non-stops to various cities in Canada and Mexico

Federal Express, Airborne Express, Burlington Express, the United Parcel Service, and the U.S. Postal service are responsible for the bulk of DIA's cargo flights.

With 93 gates, five 12,000-foot runways and one 16,000-foot runway, it is the only facility in the world designed to accommodate three streams of aircraft simultaneously during all types of weather. DIA also features three concourses, and an underground “people mover” subway system. DIA was designed to serve the region well into the 21st century, with capacity to expand to 200 gates, capable of serving 110 million passengers per year.

All of the major cargo companies have a presence at DIA, and there is a full complement of support services such as freight forwarders, shipping, container and warehousing services, and ground transportation.

DIA recently completed a passenger screening expansion project. At a cost of \$4.7 million the expansion added six new screening lanes in the terminal to cut down the time spent in security lines.

**Denver International Airport
Operations And Traffic Data, 2005-2007**

<i>Operations and Traffic</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>% Incr./Decr. (2006-2007)</i>
AIRCRAFT OPERATIONS				
Air carrier	384,552	428,794	451,228	5.2%
Air Taxi	172,352	167,975	162,319	-5.6%
Military	874	1,333	147	-89%
General Aviation	9,780	11,415	5,620	-51%
<i>Total Operations</i>	567,588	609,517	619,314	1.6%
PASSENGERS				
Internationals	1,606,546	1,902,832	2,190,063	15%
Majors	25,953,422	28,379,638	39,027,513	37.5%
Nationals	9,217,278	9,375,948	729,587	-92.2%
Regionals	6,444,267	7,574,948	7,888,648	4.2%
Supplementals	165,862	92,392	27,541	-70.2%
<i>Total Passengers</i>	43,387,369	47,325,016	49,863,352	5.4%

Definitions:

- *Passengers* include revenue and nonrevenue passengers as reported by the individual airlines.
- *Internationals* include carriers such as Air Canada, Air BC, British Airways, Continental, Delta, Lufthansa, Mexicana, and United.
- *Majors* include Alaska, America West, American, American TransAir, Continental, Delta, Northwest, United, and U.S. Airways.
- *Nationals, Regionals, and Supplementals* include Frontier, Jet Blue, Southwest, United Express, Vanguard, Mesa, Big Sky, and various other charter and air tour operators.

Source: Denver International Airport Monthly Operations and Traffic Report, December 2007

Daily Non-Stop Flights to Major US Metropolitan Areas - Denver International Airport

DIA averaged 1,670 flights per day in 2006, and provides service to over 130 major U.S. and international destinations. The following tables list the number of non-stop flights to major U.S. cities.

<i>City, State</i>	<i>Flights To</i>
Atlanta, GA	17
Boston, MA	7
Charlotte, NC	7
Chicago, IL	29
Cleveland, OH	4
Dallas/Ft. Worth, TX	32
Detroit, MI	11
Houston, TX	19
Las Vegas, NV	24
Los Angeles	23
Miami, FL	2

<i>City, State</i>	<i>Flights To</i>
Minneapolis, MN	11
New York, NY	19
Philadelphia, PA	7
Phoenix, AZ	24
Portland, OR	12
St. Louis, MO	14
San Diego, CA	12
San Francisco, CA	27
Seattle/Tacoma, WA	16
Washington, D.C.	20

During ski season, a number of resort-area airports such as Aspen, Eagle/Vail, Telluride, and Steamboat Springs have non-stop service to and from a number of major US cities.

Non-stop Flights from Colorado Springs Airport: The Colorado Springs Airport has non-stop service to a number of major cities nationwide. The following table lists the destinations, as well as the number of non-stop flights departing Colorado Springs daily.

<i>City, State</i>	<i>Non-stop Flights</i>
Atlanta, GA	3
Chicago (O'Hare), IL	7
Cincinnati, OH	1
Dallas/Ft. Worth, TX	7
Denver, CO	12
Houston, TX	5
Kansas City	2
Las Vegas	2
Los Angeles, CA	3
Minneapolis/St. Paul, MN	2
Ontario, CA	2
Phoenix, AZ	4
Sacramento, CA	2
Salt Lake City, UT	5
San Diego, CA	2

Source: Colorado Springs Airport Online Flight Guide, 2007

The Colorado Highway System

- 9,000+ miles of highway
- Highways contain 22,759 lane miles
- 954 miles of Interstate Highways

State Funding for Highway Construction and Improvement

The 2006-2007 fiscal year budget for the Colorado Department of Transportation was approximately \$912.4 million, *excluding* TRANS bond proceeds used for construction projects.

The Governor and the Legislature have made a commitment to maintaining and improving the highway system in the state. Colorado recognizes the importance of highway infrastructure to the economic vitality of the state.

Colorado voters, by a wide margin, approved bonding authority for the state to borrow as much as \$1.7 billion for up to 24 transportation projects. The top five projects, based on cost, are:

- The I-70 West Corridor (I-70, DIA to Eagle County Airport) is undergoing a \$1.1 billion improvement to relieve congestion.
- The Southeast Corridor (I-25 in south metro Denver) is undergoing a \$593.6 million dollar project to relieve congestion by adding new lanes. A new light rail line is also under construction to provide an alternative mode of transportation in this area.
- I-25 through Colorado Springs is undergoing a \$342.3 million reconstruction, safety improvement and widening.
- North I-25 Corridor (Denver to Fort Collins) is undergoing \$302.7 million effort to improve congestion.
- Denver to Colorado Springs (I-25) is undergoing a \$153 million improvement to relieve congestion.
- Other significant projects –
 - Widening US Highway 50 between Grand Junction and Delta, to start in early 2004.
 - Safety improvements on US 160 between Wolf Creek and South Fork, a \$26 million project started in late 2003.

TREX Transportation Expansion Project - A unique collaboration between the Colorado Department of Transportation, the Regional Transportation District, the Federal Highway Administration, and the Federal Transit Administration.

- Citizen-endorsed solution.
- Completed in September 2006 (18 months ahead of schedule).
- \$1.67 billion project, funded without new taxes.
- Improved 17 miles of Interstate 25 through southeast Denver, Aurora, Greenwood Village, Centennial and Lone Tree, including bridge reconstruction and access improvements.
- The addition of 19 miles of light rail along I-25 from Broadway Boulevard in Denver to Lincoln Avenue in Douglas County.

- The addition of light rail from I-225 from Parker Road in Aurora to a newly configured I-25 interchange.

COSMIX Project – Colorado Springs Metro Interstate Expansion. This project will widen I-25 through Colorado Springs metro area to three or four lanes. It will be completed by year-end 2008 at a cost of \$150 million.

Availability Of Mass Transit - Mass transit is provided in all of Colorado's metropolitan areas and in some rural areas of the state as well. The Colorado Department of Transportation estimates that over 1,500 buses are in operation throughout the state.

The Regional Transportation District (RTD) is the largest provider of mass transit. It serves 41 cities and towns in seven counties, and has a service area of approximately 2,406 square-miles in the Denver-metro area. There are now nearly 200 separate routes regularly served by RTD.

In addition to the service provided by RTD, the following Colorado cities have mass transit services that receive federal funding:

- Colorado Springs
- Ft. Collins
- Grand Junction
- Greeley
- Pueblo

Over the years, RTD has completed several projects to address Metro-Denver's long-range needs for mass transit. Here is a list of some of the more prominent projects undertaken by RTD in recent years:

- The completion of a two-lane Downtown Expressway that runs through the most heavily traveled artery of Denver's transportation system, I-25. The lanes are reserved for "High Occupancy Vehicles" (HOV), and run from Highway 36 (Boulder Turnpike) to downtown Denver. The flow of traffic is reversible, running from north to south in the morning hours for those commuting into downtown, and reversing to run south to north in the afternoon for the commute home.
- The completion of the first phase of a 5.3-mile light-rail train line that runs through central Denver. In July of 2000 an 8.3-mile extension to Littleton was completed.
- In November 2006, an additional 19 miles of light rail serving the southeast Metro Denver region opened, with 13 stations and 6,000 park-n-ride spaces.
- Express bus service (the SkyRide) is available to Denver International Airport.
- RTD is now researching the feasibility of operating an "airport train" from downtown Denver's Union Station to provide yet another alternative form of transportation to the metro area's #1 traffic destination.

Availability Of Rail And Motor Carrier Shipping In The State

Colorado has an extensive rail system serving the entire state. Burlington Northern/Santa Fe Railroad and Union Pacific/Southern Pacific Railroad operate the Class-One rail lines.

Over 3,000 miles of Class-One tracks are maintained throughout the state. Intermodal train/truck transfer facilities are located in the Denver metro area to efficiently move goods to their ultimate destinations without reloading from one form of transportation to another.

Burlington Northern recently opened a “team track” facility in Commerce City (Denver metro). The four-acre site is fully graded to accommodate heavy loads. It provides shippers or receivers a place to load or unload cars without having to invest in their own private industrial siding.

The Transportation Test Center near Pueblo is a world-class intermodal research and testing facility. Located on 52 square-miles of land, the center includes 48 miles of test tracks, laboratories, and excellent support services. A new project, funded by the Department of Homeland Security, will involve construction of an \$18 million tunnel to provide testing of subway systems to prevent terrorist attacks.

Colorado is well served by many motor carriers. Most of the nation’s major carriers have facilities in the state. They provide service to all major metropolitan areas located throughout the state. Colorado’s central location and interstate highway system have made the Front Range a growing distribution point for many wholesalers and retailers.

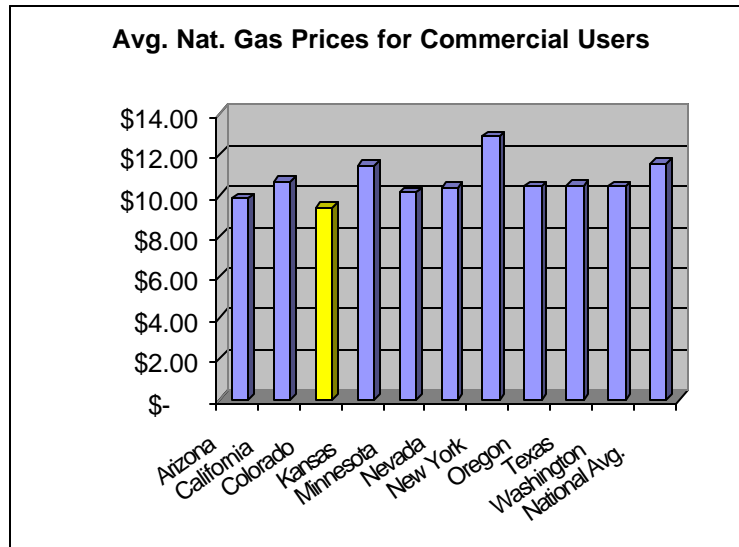
UTILITIES

Colorado consumers are efficient energy users. Colorado ranks 37th (note: for this section ranking 50th is best) in per capita energy consumption. Per capita energy expenditures of \$2,169 are 16 percent below the national average of \$2,591, placing Colorado 46th among the 50 states.

A significant number of municipalities in Colorado operate their own utilities. Most provide electric only, or gas only, but Colorado Springs and Fort Morgan provide both. There are also 26 rural electric associations (REA’s) operating in rural areas of the state. The Public Utilities Commission regulates utilities. For more information, visit their website at www.dora.state.co.us/puc/index.htm

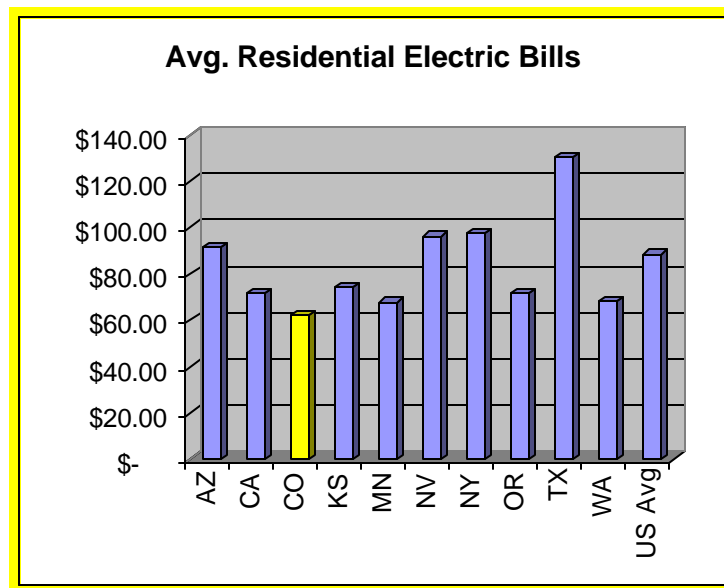
Natural Gas Prices

- Commercial users – Colorado ranks 46th, at \$9.39 per thousand cubic feet, 20 percent below the US average of \$11.59 per thousand cubic feet. (See graph below)
- Residential customers – Colorado ranks 48th in average price of natural gas - \$10.29 per thousand cubic feet, almost 20 percent below the national average of \$12.89.



Electricity Prices

- The average monthly electric bill for Colorado residential customers was \$62.20 in 2005 (latest reported by Department of Energy), ranking 46th nationally, and 30 percent below the national average of \$88.60.
- Colorado ranked 41st for commercial users, with average monthly electric bills of \$368, 33 percent lower than the national average of \$546.



Source: Morgan-Quitno Publishing, State Rankings 2007

Water

The primary source of the states water supply comes from five major river basins - the Platte, Arkansas, Rio Grande, Upper Colorado (includes Yampa, White and Green Rivers) and the Lower Colorado (includes Gunnison, San Juan and Dolores Rivers). Ground water is also an important resource, supplying 18 percent of the state's drinking water. Quality of drinking water is excellent in Colorado; 99 percent of all drinking water systems are in full compliance with all federal drinking water standards.

Telecommunications

The economic boom of the 1990's created an array of opportunities for both consumers and the telecommunications industry in the State of Colorado. Industry leaders such as Qwest Communications, and Level 3, maintain their company headquarters in the Denver metro region.

Qwest is the major provider of local telephone service in Colorado, but at least fourteen other providers, such as CenturyTel, and Plains Cooperative, serve many rural areas of the state. In addition, there are fifteen single exchange providers operating in Colorado. Long distance and wireless options are many, and competitively priced.

Statewide Mutli-Use Network (MNT)

Completed in 2003, the MNT is a public-private partnership between the State of Colorado and Qwest to build a high-speed fiber-optic network for the state. The goal has been to bridge the digital divide and enable the same digital applications and services in rural counties as well as the metropolitan areas. The State has consolidated government agency functions and acted as an "anchor tenant" to help leverage development of telecommunications infrastructure in all regions of the state. This project will be renewed via a competitive re-procurement in 2010 with a key business goal to achieve price discounts for MNT circuits commensurate with large-scale state government business.

This project, now completed, includes 65 points of service (Aggregated Network Access Points throughout Colorado). Total state contribution was \$23 million, with private investment of \$60 million. For more information please visit their website at www.state.co.us/MNT

MNT Achievements

- Bridged the Digital Divide – Statewide fiber backbone implemented.
- Economic Development for Rural Areas – High tech jobs in rural Colorado are growing at 6% per year, well above the overall statewide average job growth rate.
- Backbone of e-government – Over 700 cities, counties, schools, libraries, hospitals and other non-profits are using the network.
- Reduced costs – Equity pricing has been achieved, as has affordable Internet access across the state.

Colorado High Speed Digital Network

